

23 May 2024

SunRice Group Investor Presentation and Update on Trading Conditions

The SunRice Group provides the enclosed investor presentation and update on trading conditions that will be presented by Dimitri Courtelis, CFO SunRice Group, at the 22nd Australasian AgFood Conference in Melbourne on Wednesday 29th May 2024.

Authorised by Kate Cooper, General Counsel and Company Secretary

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About SunRice's structure

The structure of SunRice contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares.

A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on ASX and may only be held by rice growers who meet the production quotas prescribed by the SunRice constitution. No person may hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice's constitution.

B Class Shares are quoted on ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not generally have the right to vote at general meetings of SunRice. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see: <https://corporate.sunrice.com.au/investors/>

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A global food company

May 2024



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This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of SunRice is available on our website:

<https://investors.sunrice.com.au/investors/>.

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For more details of the non-standard elements of SunRice's structure see:

<https://investors.sunrice.com.au/investors/>

A diversified global food company

SunRice Group is a **global FMCG** business and one of the largest rice food companies in the world.

Our purpose is to make a difference to places and lives everywhere through nourishing and delicious products.

SunRice is committed to making a meaningful contribution to our people, the environment and the communities in which we operate and is a **participant of the United Nations (UN) Global Compact.**



A GLOBAL FOOD COMPANY

~60%
of revenue
is generated
outside of
Australia*

Personal Use Only

1,500+
products,
across

35
major
brands

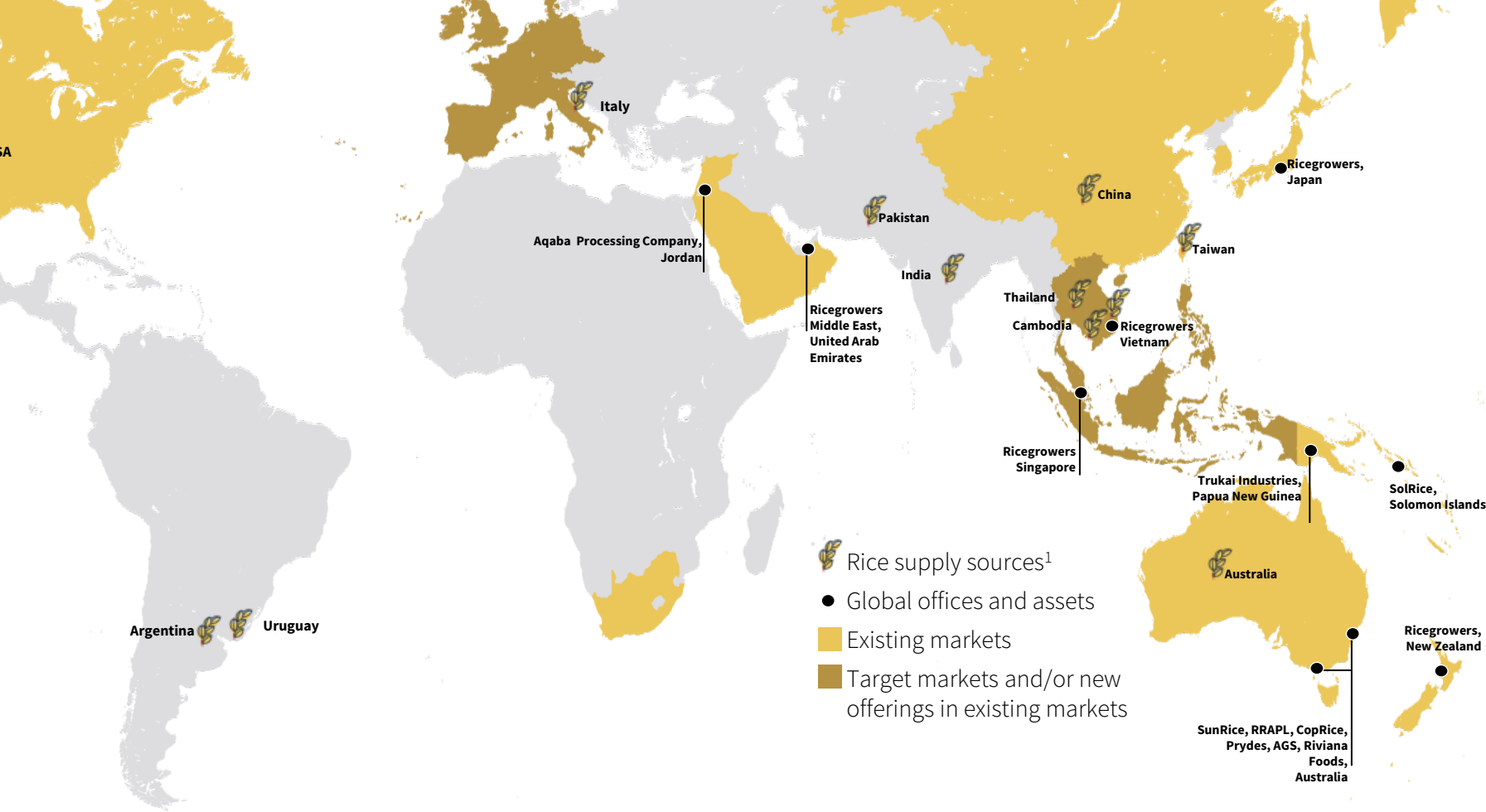
50+
countries

More than
70 years in
business
and

operations
12 in
countries

* 1H FY2024

1. Note rice supply sources vary by year, depending on multiple factors



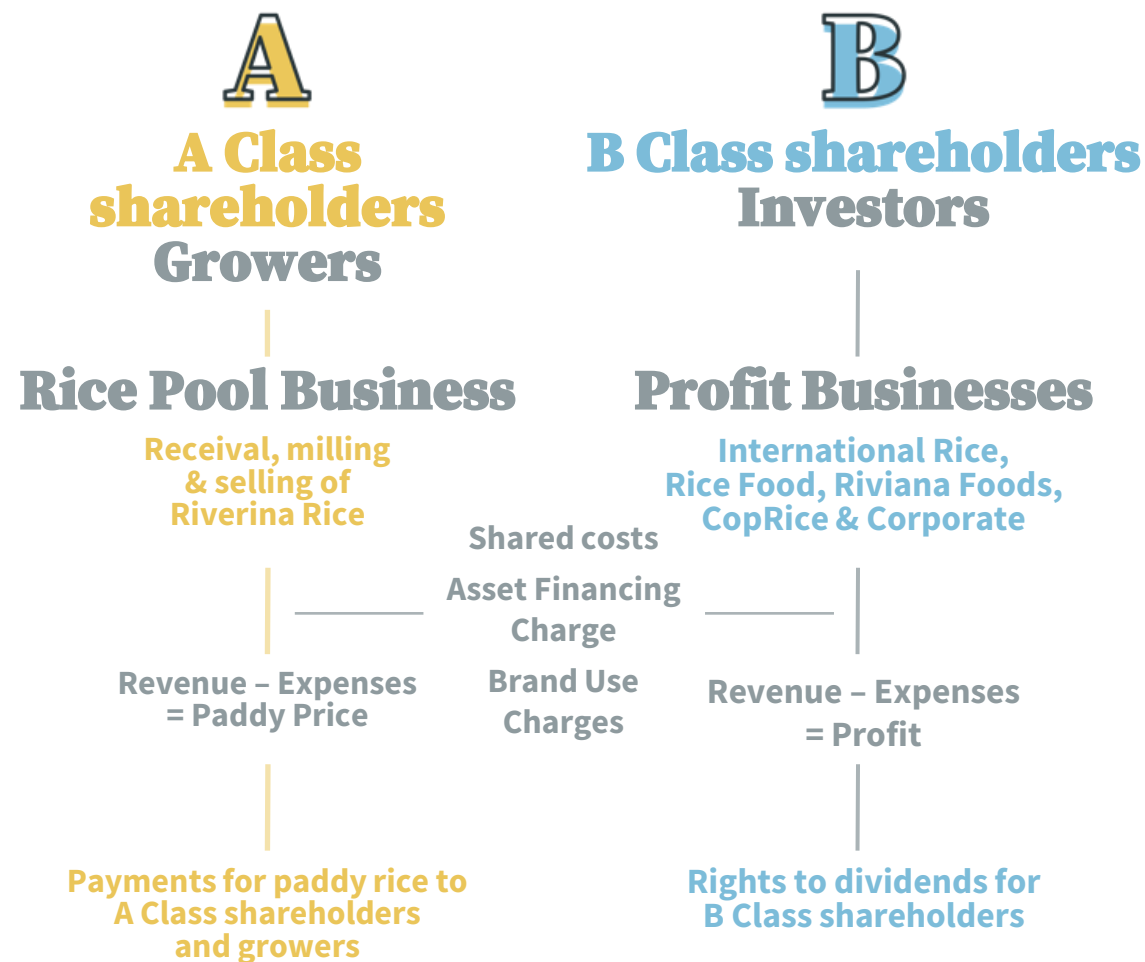
We pursue value creation for our two classes of shareholders

SunRice’s structure protects the interests of our B Class shareholders or investors, who have the right to receive dividends declared through our **Profit Businesses**; and our growers or A Class shareholders who meet the production quotas prescribed by the SunRice Constitution, and who are paid for their paddy through the **Rice Pool Business** and have control of the company.

While separate, the two business groups have mutually beneficial links and purposes. They complement each other, strengthening the alignment between our investors and growers.

In accordance with SunRice’s listing obligations, the SunRice Board periodically reviews the non-standard elements of the Company’s share capital structure to assess whether the structure continues to be in the best interests of the Company and its shareholders. Any significant changes to these non-standard elements will be the subject of discussion with the ASX and may ultimately require shareholder approval. For more details of the non-standard elements of SunRice’s structure see: <https://investors.sunrice.com.au/investors/>

Our objective is to optimise returns for both classes of shareholders.



A GLOBAL FOOD COMPANY

Our brands & Products



SunRice Snacks



Australian Rice



Convenience Foods



International Rice



Animal and Pet Food



Snacks & Health Food



Foodservice & Ingredients for Food Manufacturers



History of Performance

SunRice has diverse industry and market exposure, with leading brands in core categories.

A history of innovation and business transformation have established solid foundations for SunRice and created strong growth opportunities.

Consistent and growing dividends through the cycle with record dividend declared in FY23.

All years refer to Financial Years ending 30 April.

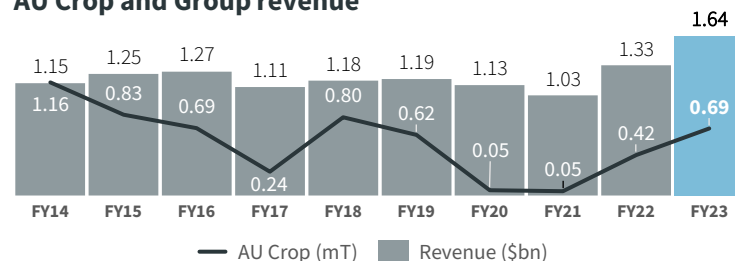
With 'AU Crop' graph, 'FY23' correlates with 'crop year 22' or 'CY22'.

1. Group's Return on Capital Employed (ROCE – calculated as Profit Before Income Tax and Interest divided by Net Assets excluding Cash and Borrowings)

2. FY22 dividend includes 5cps special dividend. Dividend yield and Price Earnings ratio based on volume weighted average price during period

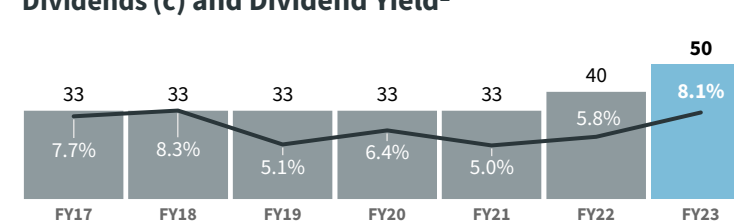
Approaching \$2 Billion in turnover

AU Crop and Group revenue



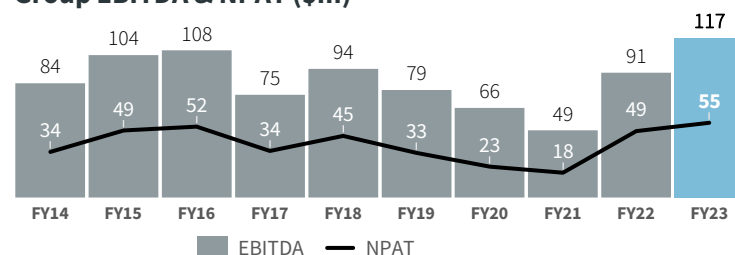
Consistently strong dividends

Dividends (c) and Dividend Yield²



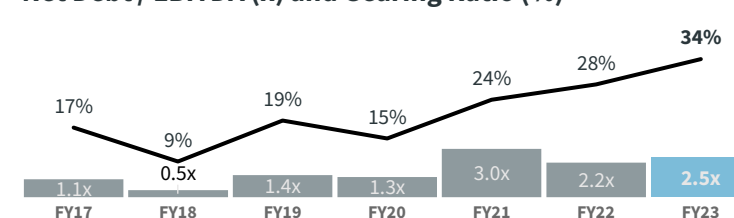
Robust business model

Group EBITDA & NPAT (\$m)



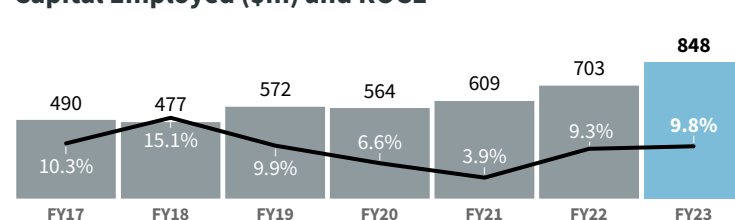
Balance sheet flexibility

Net Debt / EBITDA (x) and Gearing Ratio (%)



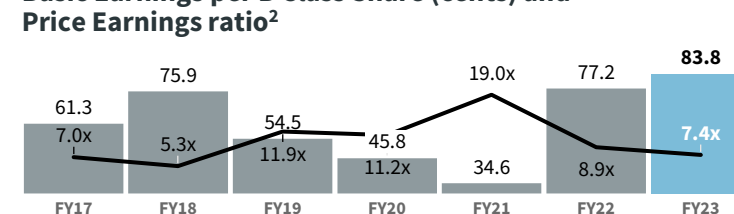
Efficient use of capital

Capital Employed (\$m) and ROCE¹



Strong earnings

Basic Earnings per B Class Share (cents) and Price Earnings ratio²



Capital management

During 1H FY2024, Net Debt reduced by \$51m to \$240m. This improvement reflects the strong EBITDA generated in 1H FY2024 and a decrease in net working capital from \$479 million at 30 April 2023 to \$448 million at 31 October 2023.

The Group's leverage ratio¹ reduced from 2.5x at 30 April 2023 to 1.7x at 31 October 2023.

The Group retains balance sheet flexibility to support further strategic investments. Free cashflow has allowed core debt to be repaid as at April 2024 with facilities reducing from \$240m to \$190m.

Net debt / R12 EBITDA²

1.7x

Core debt / R12 EBITDA²

0.5x

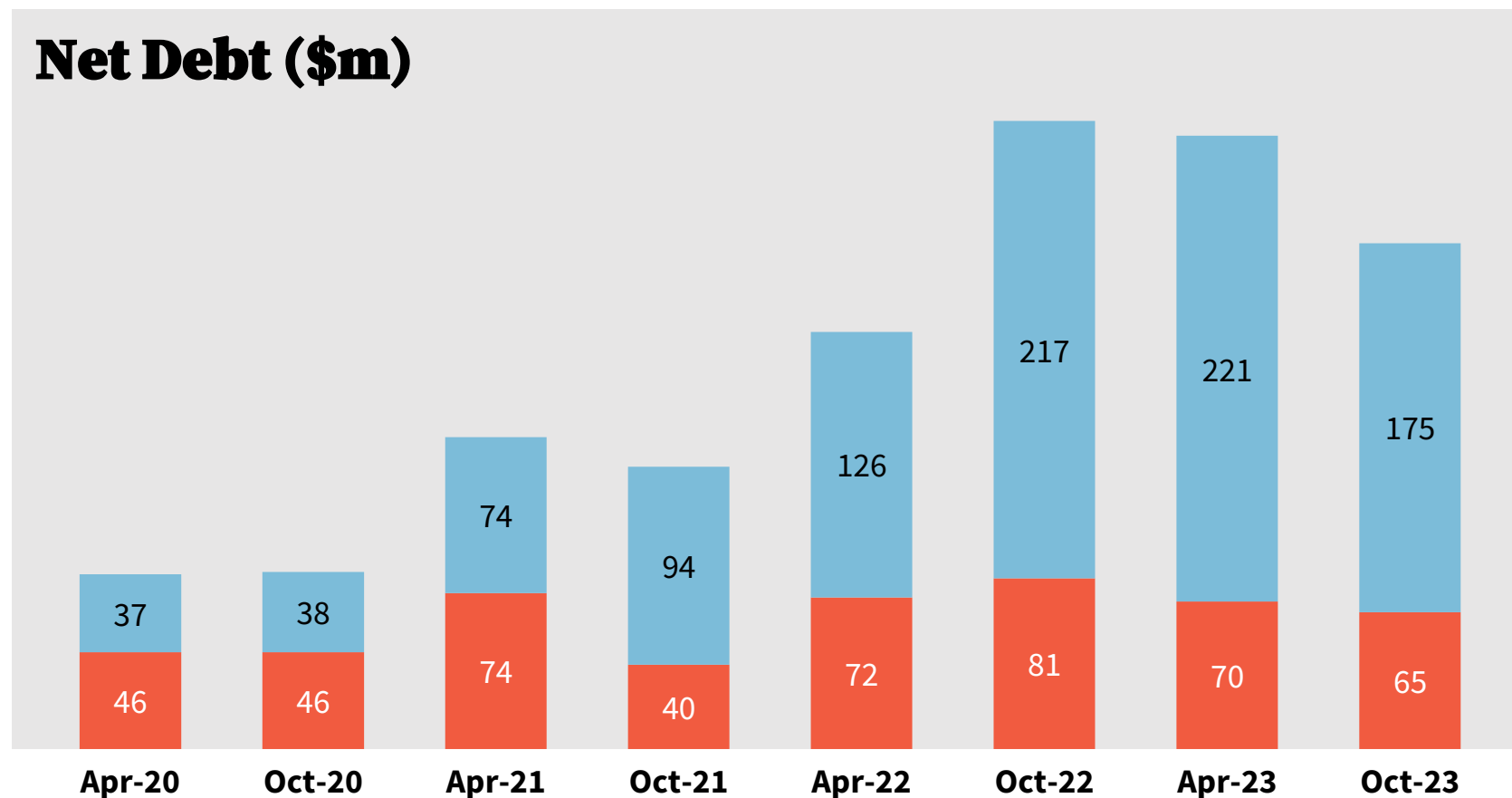
Gearing ratio

30%

Core Gearing ratio³

10%

Net Debt (\$m)



Core debt Seasonal debt (net of cash and incl. overdrafts and lease liabilities)

1. Net debt / R12 EBITDA
 2. Rolling 12-month EBITDA, which was \$137.7m for the 12 months to October 2023
 3. Core debt / Core debt + Equity

Growth Strategy in action

SunRice has invested over \$110 million in acquisitions since FY19

Building organic growth

Driving product innovation

Using capabilities and deep insights with consumers, we've met evolving global food trends aligned with our brands.

Expertise in sourcing rice to match pricing and preferences

Growing global supply chain and multi-origin, multi-price point strategy.

Integrating into our supply chain

SunRice's Sustainability Strategy directly relates to our Growth Strategy.



Pursuing strategic growth

Further penetrating high value segments

Pryde's EasiFeed was acquired by CopRice in FY2022, providing increased presence in the high-value branded equine market.



Delivering transformative earnings for Riviana

Acquisition of KJ&Co Brands in FY2021 has offered transformative scale for Riviana.



Underpinning new category and geographical reach

Roza's Gourmet acquisition in FY2019 has delivered new reach and markets to Riviana Foods.



Securing a global supply chain

Purchase in FY2019 of a rice processing mill in Vietnam expanded the Group's international rice supply capability.



Strategic acquisitions



FY2023 acquisition
Australian Waffle Co business, Australia



FY2022 acquisition
Pryde's EasiFeed, Australia



FY2021 acquisition
KJ&Co Brands, Australia



FY2021 acquisition
Dairy nutrition business, New Zealand



FY2021 acquisition
Riverbank Stockfeeds' dairy and beef business, Australia



FY2020 acquisition
Feedrite's extrusion business, Australia



FY2019 acquisition
Roza's Gourmet, Australia



FY2017 acquisition
Fehlbergs business, Australia

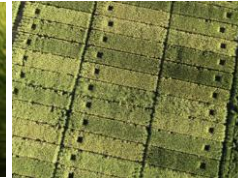


FY2019 acquisition
Lap Vo rice processing mill, Vietnam

Our Sustainability Strategy in action



Water productivity



Climate resilience



Waste reduction



Resilient communities



Respecting human rights



Food security & quality

FY2024 Sustainability Highlights

Water productivity:

Identification by Rice Breeding Australia of several traits to improve cold tolerance in rice, which will now be tested and piloted. These cold tolerant varieties will contribute to water efficiencies.



Respecting Human Rights

Aligned with the Group's commitment to respect human rights and improve its management of human rights related risks, the Group completed social and ethical audits (using SMETA) for our Solomon Islands, Leeton Mill, Leeton Speciality Rice Foods Group and Vietnam Mill sites.

Engaged Monash University to undertake a benchmarking review of the Group's FY23 Modern Slavery Statement. The review provided the Group with a 'B' disclosure rating against the key criteria of the Act with a score of 76.5/100. This score was significantly above the ASX300 average of 58.33 and slightly above the ASX100 average of 72.83.

The Group will continue to improve its disclosures and commitments in this space

Climate resilience:

We recently completed the first season of trials in partnership with Deakin University at Rice Research Australia in Jerilderie under our joint Greenhouse Gas Reduction project, which is funded by Agrifutures. The preliminary results indicate:

- A strong correlation between greenhouse gas mitigation and the number of ponded water days.
- Drilling crops showing an 86% mitigation of methane compared to aerial sown crops.
- Significant potential for reducing methane emissions by transitioning from aerial sown to drill sown or delayed permanent water methods.

Submitted the Group's Science Based Target (SBT) for validation with the SBT initiative, including submitting targets for Forestry, Land and Agricultural Emissions (FLAG). The Group will communicate on the targets and its Net Zero Roadmap following validation of the targets.



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ersonal use only

Segments



FY23 Segment snapshot

The Rice Pool contributes directly to the Profit Businesses through the supply of rice and by-products to various divisions and through payments in relation to brand and asset financing charges. It also contributes indirectly through the absorption of overheads

B Class shareholders benefit directly from the Profit businesses through dividends

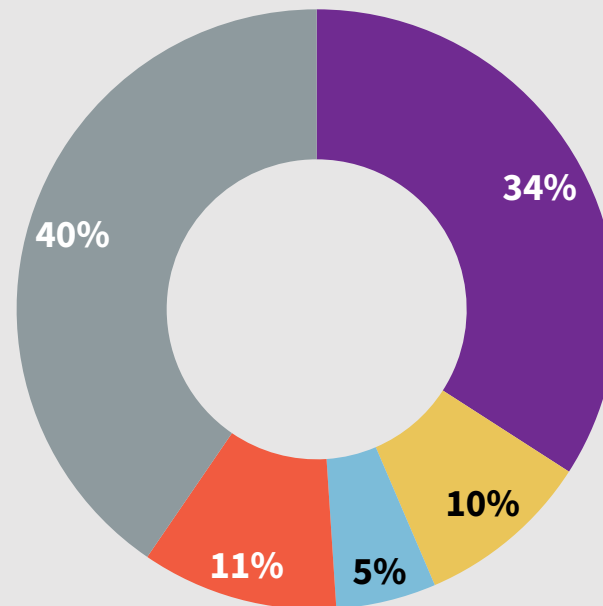
Total Group EBITDA from Profit Businesses

\$117.0m

\$47.3m

Corporate

Captures the income and cost of holding and financing assets that are used by both the Australian Rice Pool Business (A Class Shareholders) and Profit Businesses (B Class Shareholders). Holds rice receival and storage facilities as well as rice milling and packing facilities. Holds most of the SunRice Group brands



\$12.4m

CopRice

A leading animal nutrition business. From a network of mills and extrusion plants, CopRice produces a range of nutritious high-quality feeds for ruminant, equine and companion animals

\$39.9m

International Rice

Purchasing (including from the Rice Pool), processing and marketing of rice to supply international branded and tender markets

\$11.1m

Rice Food

Manufacturing, marketing and distribution of value-added rice-based products, including rice cakes, snacks, rice flour and microwave rice

\$6.3m

Riviana

Specialty gourmet food distributor of both imported and locally manufactured goods to retail customers and food services

Group Financials

Since 1H FY2022, revenues have increased \$354m

	1H FY2024 \$000's	1H FY2023 \$000's	1H FY2022 \$000's
Revenue from continuing operations	918.8	758.0	564.8
EBITDA	63.3	42.6	36.9
Depreciation, impairment & amortisation	14.0	13.9	12.8
EBIT	49.2	28.7	24.1
Net interest	9.6	4.9	2.9
Tax	9.1	4.3	4.5
NPAT	30.6	19.6	16.7
Profit attributable to Class B Shareholders	30.0	17.7	16.8
Basic EPS (Class B)	46.9¢	28.3¢	27.5¢

Note: Figures may not add due to rounding

Compared to the Previous Corresponding Period, **Revenue has increased 21%, EBITDA has increased 48% and Basic EPS has increased 66% to 46.9 cents per B Class Share.**

The 1H FY2024 Financial Results were driven by a range of factors:

- Successful implementation of growth initiatives, including product innovation, further international market expansion and overseas government tenders.
- A weakening Australian dollar, supporting revenue from Australian rice exports but weighing on the profitability of our import businesses.
- Cost saving initiatives and improvements in shipping conditions.
- Adjustments of sales prices to re-align with ongoing inflationary pressures on costs.
- Continued recovery of CopRice, delivering volume growth, market share gains and margin improvements.
- The flow-on benefits of Brand and Asset Financing charges from the strong Australian Rice Pool Business.

AUSTRALIAN RICE
POOL BUSINESS

Rice Pool

*Supplying premium
branded Australian
rice, built on
provenance and
our heritage*

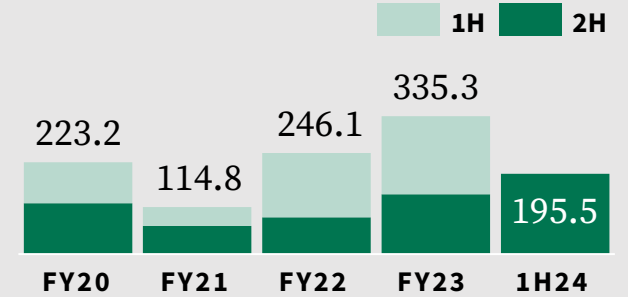


1H FY2024 Performance Update

- The Rice Pool Business saw increased sales in premium markets and government tender, benefiting from the 500,000 paddy tonnes harvested in CY23, following the 688,000 tonnes in CY22.
- The business benefited from higher sales prices, a weaker Australian dollar enhancing USD exports and reduced logistics costs.
- NSW flooding impacted the Riverina manufacturing and storage facilities, leading to a smaller harvest vs. initial expectations, alongside increased costs, higher moisture content and rising energy prices.
- SunRice’s Sole and Exclusive Export Licence Agreement was renewed for a further five years and the Group expects to benefit from the Australia-UK FTA.
- CY23 pool price is \$425-435 per tonne and CY24 pool price is \$370-430 per tonne for medium grain Reiziq

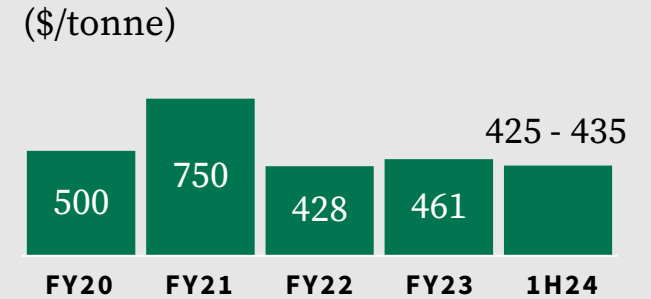
Revenue (\$m) 1H FY2024

\$195.5m
1H FY2023 **\$145.8m** **^34%**



CY23 pool price* Paddy Price

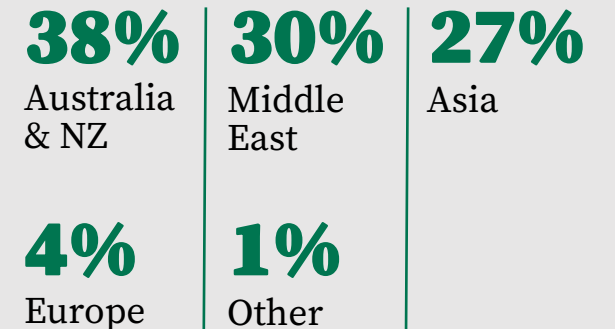
\$425-435 per tonne



CY24 pool price* Paddy Price

\$370-430 per tonne

1H FY2024 revenue was generated in



1. Price per tonne for medium grain Reiziq.

PROFIT
BUSINESSES

International Rice

Growing global supply chain, delivering diversification and demonstrating strength of the business model

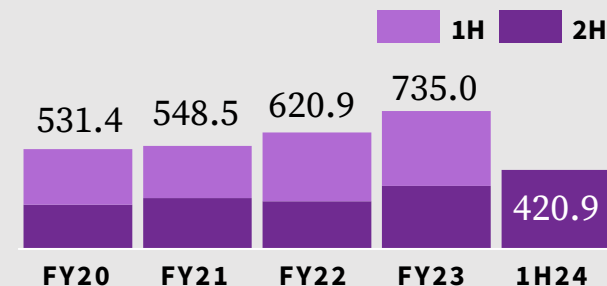


1H FY2024 Performance Update

- International Rice’s revenue increased 26% vs. PCP supported by increased volumes and inflation-focused pricing strategies.
- Good volume growth in the Middle East and the U.S. was tempered by competition and a shift towards higher volume and lower-value trades.
- The business successfully navigated operational challenges including supply chain issues in Pacific markets offset by reduced shipping costs.
- The higher USD placed pressure on imports as well as the Group’s Trukai operations in Papua New Guinea.

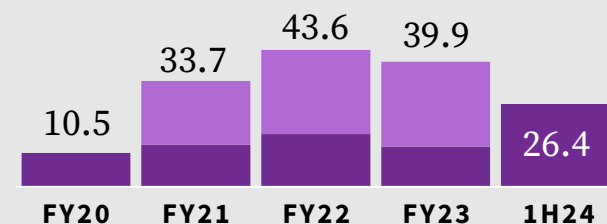
Revenue (\$m) 1H FY2024

\$420.9m
1H FY2023 **\$334.8m** **^26%**



EBITDA (\$m) 1H FY2024

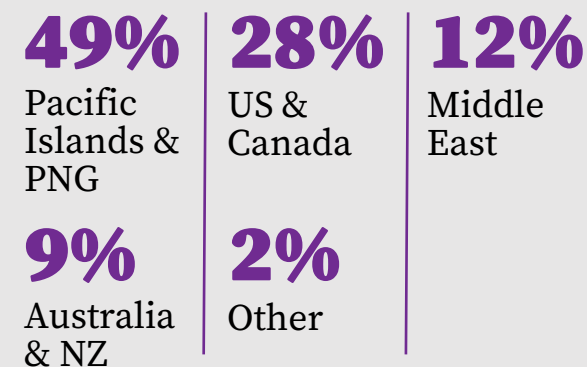
\$26.4m
1H FY2023 **\$12.9m** **^105%**



NPBT (\$m) 1H FY2024

\$19.6m
1H FY2023 **\$7.5m** **^163%**

1H FY2024 revenue was generated in



PROFIT
BUSINESSES

Rice Food

Innovation in healthier snacking and food ingredients aligned to global food trends

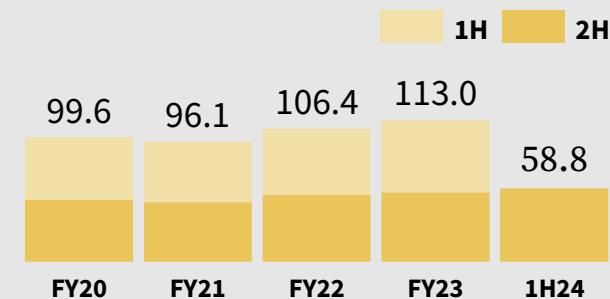


1H FY2024 Performance Update

- Rice Food benefited from higher sales prices and better shipping conditions, but faced cost inflation, higher energy costs and currency effects.
- Flour sales and profitability increased due to local manufacturing offering competitive advantage, improved manufacturing performance and resolution of raw materials supply shortages.
- The cakes and snacks categories are on a path to improved profitability with better manufacturing performance, the implementation of asset utilisation and profit improvement programs and product innovation.
- Microwave rice faced challenges from competing private label products. The Group is actively developing initiatives to improve market position and investing in marketing.

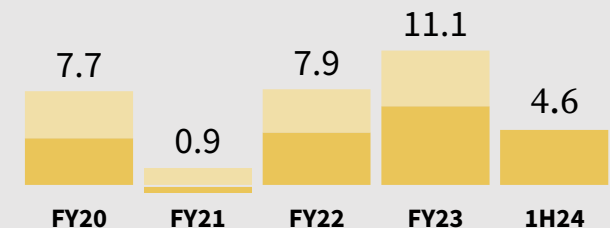
Revenue (\$m) 1H FY2024

\$58.8m
1H FY2023 **\$55.8m** ^{^5%}



EBITDA (\$m) 1H FY2024

\$4.6m
1H FY2023 **\$4.5m** ^{^1%}



NPBT (\$m) 1H FY2024

\$3.4m
1H FY2023 **\$3.5m** ^{v 4%}

1H FY2024 revenue was generated in

91% Australia | **7%** NZ | **2%** Other

PROFIT
BUSINESSES

Riviana Foods

Expanding our strong, cash-generative diverse portfolio

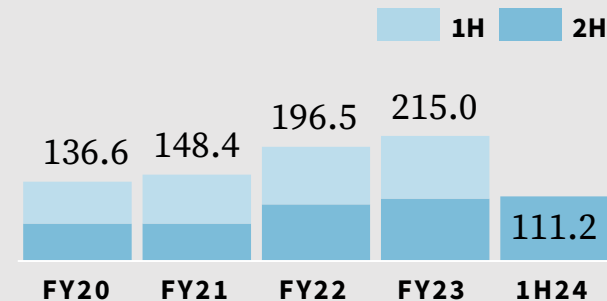


1H FY2024 Performance Update

- Riviana’s revenues increased with inflation-focused pricing strategies and the performance of Toscano and Food Service products.
- However, profitability suffered due to heavy reliance on imported products. Product sourcing difficulties due to Northern Hemisphere droughts, coupled with the AUD weakening against the USD and EUR, kept product costs high and pressured margins, despite efforts to offset these with sales price increases.
- Normalisation of shipping conditions brought some cost relief, but increased prices in Riviana Foods’ portfolio led to a wider price gap with private label, resulting in market share loss, particularly in the pickled vegetables category.
- During the period Riviana invested more in marketing and experienced some non-recurring operational challenges in manufacturing, which impacted profitability.

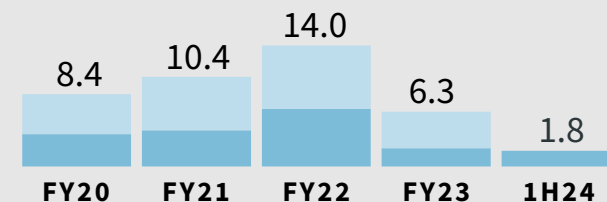
Revenue (\$m) 1H FY2024

\$111.2m
1H FY2023 **\$107.3m** **^4%**



EBITDA (\$m) 1H FY2024

\$1.8m
1H FY2023 **\$2.1m** **▼14%**



NPBT (\$m) 1H FY2024

\$0.8m
1H FY2023 **\$1.4m** **▼43%**

1H FY2024 revenue was generated in

100%
Australia & New Zealand

PROFIT
BUSINESSES

CopRice

Providing quality nutrition for ruminant, equine and companion animals

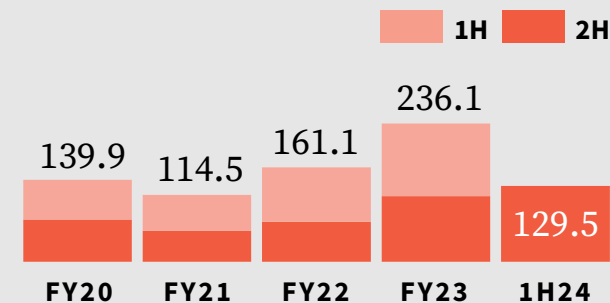


1H FY2024 Performance Update

- CopRice achieved continued growth through volume increases and market-share gains, especially in companion animal food, driven by enhanced distribution and demand for both branded and private label products.
- Margin improvements were realised in companion animal food and ruminant stockfeed and attributed to plant efficiency, better freight cost recoveries, price adjustments aligned with rising business costs, and optimised business terms in New Zealand.
- Despite these successes, CopRice faced challenges including wheat quality issues affecting horse feed volumes, a contraction in the New Zealand dairy stockfeed market due to lower milk prices and higher farm costs, and subdued meat and livestock prices impacting ruminant stockfeed volumes and efficiencies in Australia.

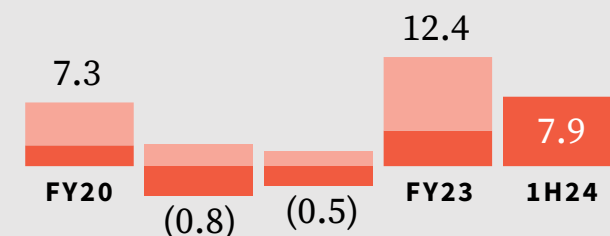
Revenue (\$m) 1H FY2024

\$129.5m
1H FY2023 **\$112.1m** **^16%**



EBITDA (\$m) 1H FY2024

\$7.9m
1H FY2023 **\$4.0m** **^95%**



NPBT (\$m) 1H FY2024

\$4.7m
1H FY2023 **\$0.5m** **^764%**

1H FY2024 revenue was generated in

100%
Australia & New Zealand

PROFIT
BUSINESSES

Corporate

Strong portfolio of physical and intangible assets



Overview

- The Corporate segment captures the cost of holding and financing assets that are utilised by both the Australian Rice Pool Business and the Profit Businesses. It also includes cross segment charges for the use of SunRice brands, and access to milling and storage assets.

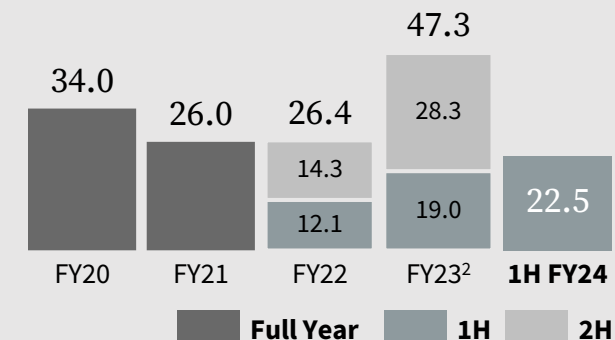
Performance Update

- Increased revenue from the Rice Pool business together with higher interest rates drove an increase in Brand and Asset Financing Charges during 1H FY2024. This increase was largely offset by increased financing costs, reduced proceeds from property sales and increased loss allowances on trade receivables.

- Due to the lower level of rice production in FY2020 and FY2021, the charges were only partly absorbed by the Rice Pool business during this period and therefore impacted the contribution to the profit of the group in those years.
- In 2H FY2023 the Group recognised an adjustment of the Asset Financing Charge to reflect escalation in interest rates during the period.

EBITDA (\$m) 1H FY2024

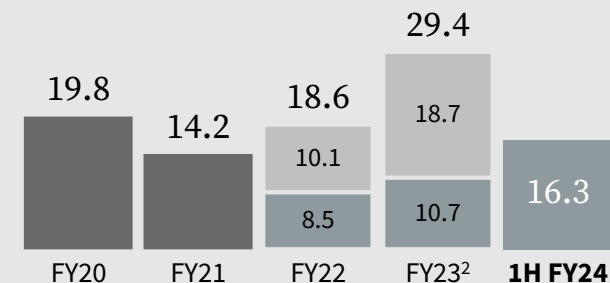
\$22.5m
1H FY2023 **^18%**
\$19.0m



NPBT (\$m) 1H FY2024

\$11.2m
1H FY2023 **^2%**
\$10.9m

Asset Financing Charge & Rice Pool Brand Charge (\$m)¹



FY2024 Trading update

Building upon the momentum achieved in the first half, the Group continued to grow revenue and profit through the remainder of FY2024

Continued revenue growth and profit delivery for the SunRice Group

- The business maintained its successful performance and continued to grow its revenue in the second half of the year, supporting the ability to continue to deliver returns to Class B shareholders.
- Profitability is being reinforced by the successful implementation of growth initiatives, further international market expansion and operational improvements, despite facing challenges from input costs inflation, currency fluctuations and changes in consumer behaviour.
- The Group has a diverse portfolio and a robust balance sheet, which position it well to pursue further growth opportunities, both through organic developments and acquisitions.
- The CY23 pool price is \$425-435 per tonne and the CY24 pool price is \$370-430 per tonne for medium grain Reiziq.
- We expect the CY24 crop to be in excess of 600,000t.
- With successively large crops in CY23 and CY24, we have full carryover levels and expect a further substantial crop in CY25.

A disciplined approach to capital management

- Surplus cashflows have allowed SunRice to paydown core debt.
- The Group continues to explore a well-developed pipeline of potential strategic opportunities, including acquisitions as well as divestment of non-core assets.

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